



# **Channel Short Duration Income Fund**

## **Annual Report September 30, 2022**

**Fund Adviser:  
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# Channel Short Duration Income Fund

## Management's discussion of Fund performance (Unaudited)

September 30, 2022

Dear Shareholders:

### Market Review

Armed and dangerous. I am not referring to the regrettable 1986 movie starring John Candy, the heavy vibe song by Juice WRLD, or some local news headline. The armed and dangerous I am thinking of is the notorious JPow, aka Federal Reserve Chairman Jay Powell. I joke a bit but there really is nothing funny about the dilemma in which Jay Powell and the Federal Reserve (the "Fed") have found itself in over the past year, now, and into the future. Monetary tools once thought to be conspiracy theory, i.e. the Plunge Protection Team, or a major moral hazard, i.e. massive balance sheet expansion, are now touted as useful in times of market stress. In other words, if pressed hard enough there is apparently next to nothing the Fed will not do to support liquidity and asset prices.

Okay, the Federal Reserve is armed but so what? They are an independent body with a defined dual mandate of stable prices and maximum sustainable employment, right? Maybe in the past but not anymore. The independent Federal Reserve myth died when a trust was set up between the Treasury Department and the Federal Reserve in Spring 2020 to buy assets on the open market. This is the dangerous part because now fiscal policy is used to drive monetary policy. We saw the abuse in a short period of time as Congress passed spending bill after spending bill putting the Federal Reserve behind the curve in their monetary policy. It is often argued the Fed was late in stopping Quantitative Easing (QE) and raising interest rates, but the spending came so fast it took time to register in economic statistics. For perspective, President George W. Bush signed a \$700bn bailout bill to address the Great Financial Crisis in 2008. The Covid CARES Act totaled \$2.1 trillion but when you consider all grants, loans, and tax breaks, the total is a staggering \$4 trillion!

Due to the more nimble and remote service-oriented US economy, the official Covid recession lasted just one-month. Trillions of dollars pushed into a one-month recession economy is very dangerous, certainly, to the mandate of price stability. Employment is still very strong but real wages have been negative for over a year. The Fed is now fighting a tough fight while trying to, in their eyes, retain credibility. The effort to retain credibility means following through on what they communicate yet they were late to act on inflation and will likely also commit an error on the corrective measures. The Fed is armed with more monetary tools than ever before and dangerous in their use of them as actions impact global economic and political stability, not to mention increase wealth disparity.

# **Channel Short Duration Income Fund**

## **Management’s discussion of Fund performance (Unaudited)**

### **(continued)**

*September 30, 2022*

As late as March 2022, the Effective Fed Funds Rate (EFFR) was 0.08%. Just six months later to the end of September 2022, the EFFR was 3.08%. Additionally, it is estimated by the Federal Reserve Bank of Atlanta that when QE was fully used the shadow Fed Funds Rate was -2.00%. So, in roughly six months the Fed tightened by approximately 5.00%. The Federal Reserve Bank of San Francisco estimates that Quantitative Tightening (QT) adds another 50 bps of tightening impact. The impact of the Fed actions is likely a tighter policy than rates alone imply.

In anticipation of the Fed rate actions, US treasury yields moved substantially higher for the trailing 12-months ended September 30, 2022. For this period, the highly Fed Funds Rate sensitive 2-yr US Treasury Note (UST) rose from 0.277% to 4.281%. The 5-yr UST rose from 0.966% to 4.092% and the 10-yr UST rose from 1.488% to 3.832%. Worth noting are the inverted yield curves, which have historically predicted future recessions. Without additional fiscal stimulus, restrictive monetary policy is expected to slow the US economy as the hikes work with a lag.

Corporate investment grade credit spreads, an area of focus for us, remained volatile, especially in shorter duration parts of the interest rate curve. During the Fed’s Zero Interest Rate Policy (ZIRP), many investors used spread product as a surrogate to treasury bond allocations given default risk was basically non-existent. When rates began to rise in the front-end, there was not the typical selling of spread product to buy treasuries but instead an all out selling of all bonds to hold cash. For the trailing one-year as of September 30, 2022, the Bloomberg US Corporate 1-5 yr. option adjusted spread (OAS) rose from +37 bps to +92 bps. It is atypical to see spreads widen while interest rates also rise. So atypical, in fact, that it was a five standard deviation event of historical precedence. We live in an “unprecedented” world now.

### **Portfolio Overview**

The Channel Short Duration Income Fund (the “Fund”) maintained higher than benchmark corporate credit exposure as we saw opportunity for spread compression to drive capital appreciation while receiving relatively attractive coupon income. More specifically, oversold credits with exposure to the reopening economy, fundamental credit improvement and deleveraging situations, and subordinated bank bonds were prominent holdings in the Fund. Energy and securitized airline bonds with above average yields were a strong overweight in the Fund. High yield rated bonds with short maturities that trade with less interest rate sensitivity served as a good way to get higher yields and continue to roll into even higher yields upon maturity. Our general view is corporate credit is for holding and US treasuries are for trading in the previous and current market.

# **Channel Short Duration Income Fund**

## **Management's discussion of Fund performance (Unaudited)**

### **(continued)**

*September 30, 2022*

### **Performance**

For the 12-month period ended September 30, 2022, the Fund's total return was -9.27%, net of fees. This compares to the Bloomberg US 1-5 year Government/Credit Index total return of -7.29% for the same period. For additional comparison, the Bloomberg US Intermediate Government/Credit Bond Index total return was -10.14%, also for the same period. A higher concentration of investment grade credit risk along with some high yield credit risk contributed to absolute performance while fund expenses detracted from relative performance. The Fund's relative duration vs. respective benchmarks also contributed modestly to comparative under and outperformance. An active US treasury systematic rates trading strategy also contributed to the Fund's total returns.

# Investment Results (Unaudited)

## Average Annual Total Returns\* as of September 30, 2022

	<u>One Year</u>	<u>Five years</u>	<u>Ten years</u>
<b>Channel Short Duration Income Fund</b>	(9.27)%	1.29%	1.36%
<b>Bloomberg U.S. 1-5 Year Government/Credit Index<sup>(a)</sup></b>	(7.29)%	0.55%	0.88%
<b>Bloomberg U.S. Intermediate Government/Credit Bond Index<sup>(b)</sup></b>	(10.14)%	0.38%	1.00%

Total annual operating expenses as disclosed in the Channel Short Duration Income Fund (the “Fund”) prospectus dated January 28, 2022 were 1.11% of average daily net assets, which included acquired fund fees and expenses of 0.01% (0.96% after fee waivers/expense reimbursement by Channel Investment Partners LLC (the “Adviser”). The Adviser has contractually agreed to waive its fee and to the extent necessary, reimburse certain Fund operating expenses through January 31, 2024 so that the total annual operating expenses, excluding portfolio transaction and other investment-related costs (including brokerage fees and commissions); taxes; borrowing costs (such as interest and dividend expenses on securities sold short); acquired fund fees and expenses; fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example option and swap fees and expenses); any amounts payable pursuant to a distribution or service plan adopted in accordance with Rule 12b-1 under the Investment Company Act of 1940; any administrative and/or shareholder servicing fees payable pursuant to a plan adopted by the Board; expenses incurred in connection with any merger or reorganization; extraordinary expenses (such as litigation expenses, indemnification of Trust officers and Trustees and contractual indemnification of Fund service providers); and other expenses that the Trustees agree have not been incurred in the ordinary course of the Fund’s business, do not exceed 0.95% of the Fund’s average daily net assets. Each waiver/expense payment by the Adviser is subject to recoupment by the Adviser from the Fund in the three years following the date the particular waiver/expense payment occurred, but only if such recoupment can be achieved without exceeding the annual expense limitation in effect at the time of the waiver/expense payment and any expense limitation in effect at the time of the recoupment. Additional information pertaining to the Fund’s expense ratios as of September 30, 2022 can be found in the financial highlights.

*The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Channel Short Duration Income Fund (the “Fund”) distributions or the redemption of Fund shares. Current performance may be lower or higher than the performance quoted. The Fund’s investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling (877) 627-8504.*

\* Return figures reflect any change in price per share and assume the reinvestment of all distributions. The Fund’s returns reflect any fee reductions during the applicable periods. If such fee reductions had not occurred, the quoted performance would have been

(a) The Bloomberg U.S. 1-5 Year Government/Credit Bond Index (the “U.S. 1-5 Year Government/Credit Bond Index”) measures the performance of U.S. dollar-denominated U.S. Treasury bonds, government related bonds and investment grade U.S. corporate bonds that have a remaining maturity of greater than or equal to one year and less than five years.

(b) The Bloomberg U.S. Intermediate Government/Credit Bond Index (the “U.S. Intermediate

## Investment Results (Unaudited) (continued)

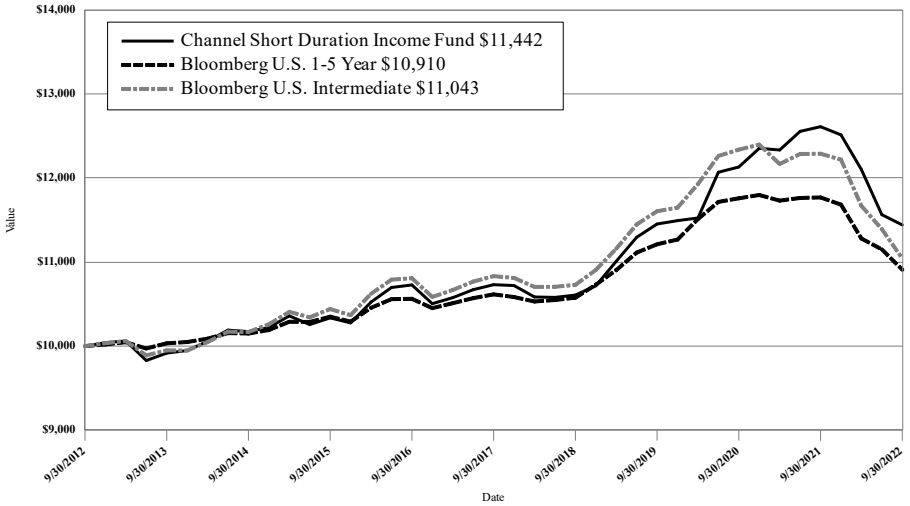
Government/Credit Bond Index”) is a widely recognized unmanaged index of bond prices and is representative of a broader market and range of securities than is found in the Fund’s portfolio. The U.S. Intermediate Government/Credit Bond Index assumes reinvestment of all distributions and excludes the effect of taxes and fees. Individuals cannot invest directly in the U.S. Intermediate Government/Credit Bond Index; however, an individual may invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index

*You should consider the Fund’s investment objectives, risks, charges and expenses carefully before you invest. The Fund’s prospectus contains important information about the Fund’s investment objectives, potential risks, management fees, charges and expenses, and other information and should be read carefully before investing. You may obtain a current copy of the Fund’s prospectus or performance data current to the most recent month by calling (877) 627-8504.*

*The Fund is distributed by Ultimus Fund Distributors, LLC, member FINRA/SIPC.*

# Investment Results (Unaudited) (continued)

Comparison of the Growth of a \$10,000 Investment in the Channel Short Duration Income Fund, Bloomberg U.S. 1-5 Year Government/Credit Index and the Bloomberg U.S. Intermediate Government/Credit Bond Index®



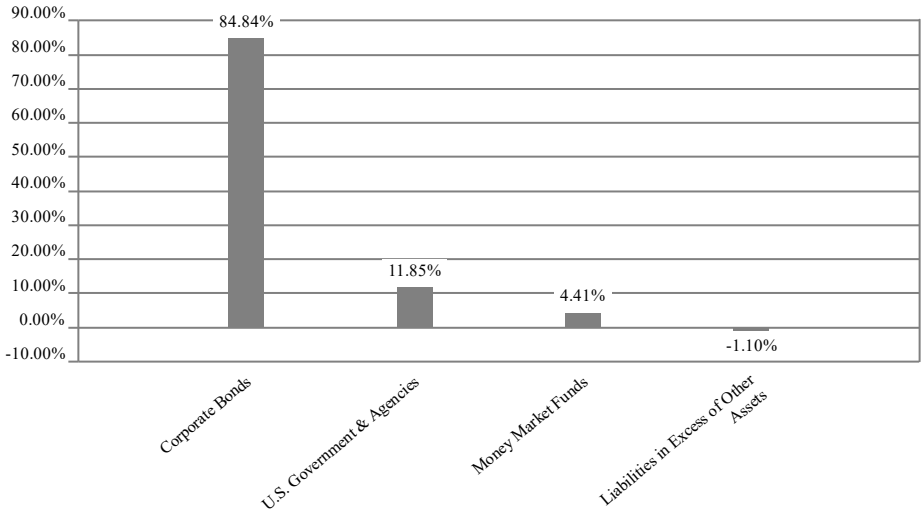
This graph shows the value of a hypothetical initial investment of \$10,000 made on September 30, 2012 for the Fund and held through September 30, 2022. The Bloomberg U.S. 1-5 Year Government/Credit Bond Index and the Bloomberg U.S. Intermediate Government/Credit Bond Index are widely recognized unmanaged indices of bond prices and are representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the index; however, an individual may invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index. **THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS.** The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

***Current performance may be lower or higher than the performance data quoted. For more information on the Fund, and to obtain performance data current to the most recent month-end, or to request a prospectus, please call (877) 627-8504. You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses of the Fund before investing. The Fund's prospectus contains this and other information about the Fund and should be read carefully before investing.***

*The Fund is distributed by Ultimus Fund Distributors, LLC, Member FINRA/SIPC.*

# FUND HOLDINGS (Unaudited)

## Channel Short Duration Income Fund Holdings as of September 30, 2022\*



\* As a percentage of net assets.

The investment objective of the Channel Short Duration Income Fund is total return, comprised of both income and capital appreciation.

Portfolio holdings are subject to change.

### AVAILABILITY OF PORTFOLIO SCHEDULE (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the SEC's website at <http://www.sec.gov>.



# Channel Short Duration Income Fund

## Schedule of Investments

September 30, 2022

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>CORPORATE BONDS — 84.84%</b>		
<b>Corporate Bonds - Domestic — 82.19%</b>		
Ally Financial, Inc., 4.70%, Perpetual (3MO LIBOR + 348bps) <sup>(a)</sup>	\$ 450,000	\$ 321,967
American Airlines Pass Through Trust, Series 2013-2, 4.95%, 1/15/2023	1,333,314	1,313,738
American Airlines Pass Through Trust, Series 2015-1, 3.70%, 5/1/2023	390,549	377,219
American Airlines Pass Through Trust, Series 2016-3, 3.75%, 10/15/2025	1,249,117	1,088,247
American Airlines Pass Through Trust, Series 2016-2, 3.65%, 12/15/2029	371,000	281,589
American Electric Power Co., Inc., 2.03%, 3/15/2024	600,000	574,252
AT&T, Inc., 4.25%, 3/1/2027	600,000	575,943
B&G Foods, Inc., 5.25%, 4/1/2025	750,000	653,723
Bank of America Corp., 4.83%, 7/22/2026	1,250,000	1,220,854
Celanese US Holdings LLC, 6.17%, 7/15/2027	500,000	472,568
Celanese US Holdings LLC, 6.33%, 7/15/2029	250,000	233,621
Charles Schwab Corp. (The), 4.00%, Perpetual (3MO LIBOR + 231bps) <sup>(a)</sup>	900,000	667,796
Continental Airlines Pass Through Trust, Series 2012-2 A, 4.00%, 10/29/2024	1,616,450	1,521,217
DCP Midstream Operating LP, 5.38%, 7/15/2025	450,000	438,177
Delta Air Lines, Inc., Series 2019-1, 3.20%, 4/25/2024	595,000	573,260
Discovery Communications LLC, 4.13%, 5/15/2029	500,000	428,798
DISH DBS Corp., 5.00%, 3/15/2023	500,000	489,600
Edison International, 4.70%, 8/15/2025	250,000	242,516
Edison International, 5.38%, 9/15/2069 (3MO LIBOR + 370bps) <sup>(a)</sup>	400,000	329,246
Energy Transfer LP, 6.50%, 11/15/2167 (3MO LIBOR + 465bps) <sup>(a)</sup>	500,000	433,357
EQT Corp., 5.68%, 10/1/2025	250,000	248,777
EQT Corp., 5.70%, 4/1/2028	500,000	491,094
General Motors Co., 5.40%, 10/15/2029	500,000	462,251
Genworth Holdings, Inc., 4.91%, 11/15/2036 (3MO LIBOR + 200bps) <sup>(a)</sup>	2,100,000	1,154,507
Gulfport Energy Corp., 8.00%, 5/17/2026	500,000	498,272
iHeartCommunications, Inc., 8.38%, 5/1/2027	750,000	632,579
JPMorgan Chase & Co., 4.08%, 4/26/2026	500,000	480,859
JPMorgan Chase & Co., 4.85%, 7/25/2028	500,000	480,004
JPMorgan Chase & Co., 5.72%, 9/14/2033	500,000	472,579
MPLX LP, 4.13%, 3/1/2027	500,000	467,288
Plains All American Pipeline LP, 4.65%, 10/15/2025	250,000	241,063
Plains All American Pipeline LP/ PAA Finance Corp., 3.60%, 11/1/2024	450,000	433,197
Range Resources Corp., 4.88%, 5/15/2025	1,500,000	1,415,761
Sabine Pass Liquefaction, LLC, 5.75%, 5/15/2024	500,000	501,904
Southern California Edison Co., 2.95%, 6/1/2027	445,000	431,993
Sprint Corp., 7.63%, 3/1/2026	400,000	415,555
Targa Resources Corp., 5.20%, 7/1/2027	500,000	484,520
T-Mobile USA Inc., 2.63%, 2/15/2029	500,000	413,394
Toyota Motor Credit Corp., 3.65%, 8/18/2025	500,000	484,137
United Airlines Holdings, Inc., 4.88%, 1/15/2025	300,000	280,423
United Airlines Pass Through Trust, Series 2013-1, 4.30%, 8/15/2025	150,777	141,099
United Airlines Pass Through Trust, Series 2014-1, 4.00%, 4/11/2026	553,987	507,309
United Airlines Pass Through Trust, Series 2020-1, 5.88%, 4/15/2029	491,168	471,623
VMware, Inc., 1.80%, 8/15/2028	500,000	396,724
Welltower, Inc., 2.05%, 1/15/2029	500,000	401,371

# Channel Short Duration Income Fund

## Schedule of Investments (continued)

September 30, 2022

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>CORPORATE BONDS — 84.84% - continued</b>		
<b>TOTAL CORPORATE BONDS - DOMESTIC (Cost \$26,325,029)</b>		<u>\$ 24,645,971</u>
<b>Corporate Bonds - Foreign — 2.65%</b>		
<b>Corporate Bonds - Ireland - 2.65%</b>		
AerCap Ireland Capital DAC, 3.30%, 1/30/2032	\$ 750,000	566,155
AerCap Ireland Capital DAC/AerCap Global Aviation Trust, 4.63%, 10/15/2027	250,000	<u>225,873</u>
		<u>792,028</u>
<b>TOTAL CORPORATE BONDS - FOREIGN (Cost \$977,512)</b>		<u>792,028</u>
<b>TOTAL CORPORATE BONDS (Cost \$27,302,541)</b>		<u>25,437,999</u>
<b>U.S. GOVERNMENT &amp; AGENCIES — 11.85%</b>		
United States Treasury Note, 3.50%, 9/15/2025	600,000	587,860
United States Treasury Note, 3.13%, 8/31/2027	800,000	767,500
United States Treasury Note, 2.75%, 8/15/2032	2,400,000	2,196,000
<b>TOTAL U.S. GOVERNMENT &amp; AGENCIES (Cost \$3,689,242)</b>		<u>3,551,360</u>
<b>MONEY MARKET FUNDS - 4.41%</b>		
Fidelity Investments Money Market Government Portfolio, Class I, 2.74% <sup>(b)</sup>	1,321,474	<u>1,321,474</u>
<b>TOTAL MONEY MARKET FUNDS (Cost \$1,321,474)</b>		<u>1,321,474</u>
<b>TOTAL INVESTMENTS — 101.10% (Cost \$32,313,257)</b>		<u>30,310,833</u>
<b>Liabilities in Excess of Other Assets — (1.10)%</b>		<u>(329,702)</u>
<b>NET ASSETS — 100.00%</b>		<u>\$ 29,981,131</u>

(a) Variable rate security. The rate shown is the effective interest rate as of September 30, 2022. The benchmark on which the rate is calculated is shown parenthetically.

(b) Rate disclosed is the seven day effective yield as of September 30, 2022.

# Channel Short Duration Income Fund

## Statement of Assets and Liabilities

September 30, 2022

<b>Assets</b>	
Investments in securities at fair value (cost \$32,313,257)	\$ 30,310,833
Receivable for investments sold	8,479,549
Dividends and interest receivable	344,293
Prepaid expenses	15,660
<b>Total Assets</b>	<u>39,150,335</u>
<b>Liabilities</b>	
Payable for fund shares redeemed	546
Payable for investments purchased	9,040,615
Payable for distribution to shareholders	97,984
Payable to Adviser	858
Payable to Administrator	7,861
Other accrued expenses	21,340
<b>Total Liabilities</b>	<u>9,169,204</u>
<b>Net Assets</b>	<u>\$ 29,981,131</u>
<b>Net Assets consist of:</b>	
Paid-in capital	\$ 33,593,262
Accumulated deficit	(3,612,131)
<b>Net Assets</b>	<u>\$ 29,981,131</u>
Shares outstanding (unlimited number of shares authorized, no par value)	<u>3,300,044</u>
Net asset value ("NAV"), offering and redemption price per share <sup>(a)</sup>	<u>\$ 9.09</u>

- (a) The Fund charges a 1.00% redemption fee on shares redeemed within 60 days or less of purchase. Shares are redeemed at the NAV if held longer than 60 calendar days.

# Channel Short Duration Income Fund

## Statement of Operations

For the year ended September 30, 2022

<b>Investment Income</b>	
Interest income	\$ 1,090,427
Dividend income	4,618
<b>Total investment income</b>	<u>1,095,045</u>
<b>Expenses</b>	
Adviser	127,694
Custodian	33,014
Administration	30,001
Fund accounting	28,243
Legal	22,052
Audit and tax preparation	20,000
Registration	17,029
Trustee	15,462
Transfer agent	12,000
Compliance services	12,000
Pricing	9,500
Report printing	8,710
Insurance	2,403
Interest expense	38
Miscellaneous	30,291
<b>Total expenses</b>	<u>368,437</u>
Fees waived by Adviser	<u>(65,182)</u>
<b>Net operating expenses</b>	<u>303,255</u>
<b>Net investment income</b>	<u>791,790</u>
<b>Net Realized and Change in Unrealized Gain (Loss) on Investments</b>	
Net realized loss on investment securities transactions	(1,535,606)
Net change in unrealized depreciation of investment securities	<u>(2,348,604)</u>
<b>Net realized and change in unrealized loss on investments</b>	<u>(3,884,210)</u>
<b>Net decrease in net assets resulting from operations</b>	<u>\$ (3,092,420)</u>

See accompanying notes which are an integral part of these financial statements.

# Channel Short Duration Income Fund

## Statements of Changes in Net Assets

	<b>For the Year Ended September 30, 2022</b>	<b>For the Year Ended September 30, 2021</b>
<b>Increase (Decrease) in Net Assets due to:</b>		
<b>Operations</b>		
Net investment income	\$ 791,790	\$ 472,006
Net realized gain (loss) on investment securities transactions	(1,535,606)	567,759
Net change in unrealized appreciation (depreciation) of investment securities	<u>(2,348,604)</u>	<u>49,700</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(3,092,420)</u>	<u>1,089,465</u>
<b>Distributions to Shareholders From:</b>		
Earnings	<u>(1,430,656)</u>	<u>(2,513,189)</u>
<b>Total distributions</b>	<u>(1,430,656)</u>	<u>(2,513,189)</u>
<b>Capital Transactions</b>		
Proceeds from shares sold	5,660,390	6,928,463
Reinvestment of distributions	155,647	8,117
Amount paid for shares redeemed	<u>(3,697,533)</u>	<u>(3,559,354)</u>
<b>Net increase in net assets resulting from capital transactions</b>	<u>2,118,504</u>	<u>3,377,226</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>(2,404,572)</u>	<u>1,953,502</u>
<b>Net Assets</b>		
Beginning of year	<u>32,385,703</u>	<u>30,432,201</u>
End of year	<u>\$ 29,981,131</u>	<u>\$ 32,385,703</u>
<b>Share Transactions</b>		
Shares sold	564,467	661,202
Shares issued in reinvestment of distributions	15,787	775
Shares redeemed	<u>(374,447)</u>	<u>(324,229)</u>
<b>Net increase in shares outstanding</b>	<u>205,807</u>	<u>337,748</u>

# Channel Short Duration Income Fund

## Financial Highlights

(For a share outstanding during each period)

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018
<b>Selected Per Share Data:</b>					
Net asset value, beginning of year	\$ 10.47	\$ 11.04	\$ 10.62	\$ 10.05	\$ 10.38
Investment operations:					
Net investment income	0.24	0.17	0.19	0.22	0.21
Net realized and unrealized gain (loss)	(1.19)	0.24	0.43	0.57	(0.33)
Total from investment operations	(0.95)	0.41	0.62	0.79	(0.12)
<b>Less distributions to shareholders from:</b>					
Net investment income	(0.24)	(0.17)	(0.20)	(0.22)	(0.21)
Net realized gains	(0.19)	(0.81)	—	—	—
Total distributions	(0.43)	(0.98)	(0.20)	(0.22)	(0.21)
<b>Net asset value, end of year</b>	<b>\$ 9.09</b>	<b>\$ 10.47</b>	<b>\$ 11.04</b>	<b>\$ 10.62</b>	<b>\$ 10.05</b>
<b>Total Return<sup>(a)</sup></b>	<b>(9.27)%</b>	<b>3.96%</b>	<b>5.92%</b>	<b>7.98%</b>	<b>(1.16)%</b>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of year (000 omitted)	\$ 29,981	\$ 32,386	\$ 30,432	\$ 37,343	\$ 36,001
Ratio of net expenses to average net assets	0.95%	0.95%	0.80%	0.80%	0.80%
Ratio of expenses to average net assets before reimbursement/recoupment	1.15%	1.10%	0.89%	0.90%	0.91%
Ratio of net investment income to average net assets	2.47%	1.64%	1.73%	2.16%	2.02%
Portfolio turnover rate	6,521% <sup>(b)</sup>	1,659% <sup>(b)</sup>	178% <sup>(c)</sup>	18%	21%

- (a) Total return represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of distributions.
- (b) Turnover may be elevated in times of market volatility as part of a systematic U.S. Treasury trading strategy used to manage overall portfolio risk with the possibility of generating excess returns.
- (c) Elevated portfolio turnover rate is due to adviser change during the fiscal year ended September 30, 2020.

# Channel Short Duration Income Fund

## Notes to the Financial Statements

September 30, 2022

### NOTE 1. ORGANIZATION

Channel Short Duration Income Fund (the “Fund”) was organized as a diversified series of Unified Series Trust (the “Trust”) on June 15, 2005, and is registered under the Investment Company Act of 1940, as amended (“1940 Act”). The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 14, 2002, as amended (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees of the Trust (“the Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Fund is one of a series of funds currently authorized by the Board. The Fund commenced operations on October 4, 2005. The investment adviser to the Fund is Channel Investment Partners LLC (the “Adviser”). The Fund seeks to provide total return, comprised of both income and capital appreciation.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

**Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**Federal Income Taxes** – The Fund makes no provision for federal income or excise tax. The Fund has qualified and intends to qualify each year as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of its taxable income. The Fund also intends to distribute sufficient net investment income and net realized capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense.

As of and during the fiscal year ended September 30, 2022, the Fund did not have any liabilities for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations when incurred. During the year, the Fund did not incur any interest or penalties. Management of the Fund has reviewed tax positions taken in tax years that remain subject

# Channel Short Duration Income Fund

## Notes to the Financial Statements (continued)

September 30, 2022

to examination by all major tax jurisdictions, including federal (i.e., the previous three years tax year ends and the interim tax period since then, as applicable) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements and does not expect this to change over the next twelve months.

**Expenses** – Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each fund’s relative net assets or another appropriate basis (as determined by the Board).

**Security Transactions and Related Income** – The Fund follows industry practice and records security transactions on the trade date for financial reporting purposes. The specific identification method is used for determining gains or losses for financial statement and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Withholding taxes on foreign dividends, if any, have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates.

**Dividends and Distributions** – The Fund intends to distribute substantially all of its net investment income, if any, monthly. The Fund intends to distribute its net realized long-term and short-term capital gains, if any, annually. Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset value (“NAV”) per share of the Fund.

### NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS

The Fund values its portfolio securities at fair value as of the close of regular trading on the New York Stock Exchange (“NYSE”) (normally 4:00 p.m. Eastern time) on each business day the NYSE is open for business. Fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. GAAP establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.



# Channel Short Duration Income Fund

## Notes to the Financial Statements (continued)

September 30, 2022

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (the risk inherent in a particular valuation technique used to measure fair value including a pricing model and/or the risk inherent in the inputs to the valuation technique). Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained and available from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date
- Level 2 – other significant observable inputs (including, but not limited to, quoted prices for an identical security in an inactive market, quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments based on the best information available)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy which is reported is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Debt securities are valued by using the mean between the closing bid and ask prices provided by a pricing service. If the closing bid and ask prices are not readily available, the pricing service may provide a price determined by a matrix pricing method. Matrix pricing is a mathematical technique used to value fixed income securities without relying exclusively on quoted prices. Matrix pricing takes into consideration recent transactions, yield, liquidity, risk, credit quality, coupon, maturity, type of issue and any other factors or market data the pricing service deems relevant for the actual security being priced and for other securities with similar characteristics. These securities will generally be categorized as Level 2 securities. If the Board or the Adviser decides that a price provided by the pricing service does not accurately reflect the fair value of the securities or when prices are not readily available from a pricing service, securities are valued at fair value as determined by

# Channel Short Duration Income Fund

## Notes to the Financial Statements (continued)

September 30, 2022

the Valuation Designee, in conformity with guidelines adopted by and subject to review of the Board. These securities will generally be categorized as Level 3 securities.

Investments in mutual funds, including money market mutual funds, are generally priced at the ending NAV provided by the service agent of the mutual funds. These securities are categorized as Level 1 securities.

In accordance with the Trust's valuation policies, the Adviser as the "Valuation Designee" is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. No single method exists for determining fair value, because fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of a security being valued by the Valuation Designee would be the amount that the Fund might reasonably expect to receive upon the current sale. Methods that are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market prices of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods. Fair-value pricing is permitted if, in the Valuation Designee's opinion, the validity of market quotations appears to be questionable based on factors such as evidence of a thin market in the security based on a small number of quotations, a significant event occurs after the close of a market but before the Fund's NAV calculation that may affect a security's value, or the Valuation Designee is aware of any other data that calls into question the reliability of market quotations.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2022:

Assets	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Domestic Corporate Bonds	\$—	\$24,645,971	\$—	\$24,645,971
Foreign Corporate Bonds	—	792,028	—	792,028
U.S. Treasury Obligations	—	3,551,360	—	3,551,360
Money Market Funds	1,321,474	—	—	1,321,474
Total	\$1,321,474	\$28,989,359	\$—	\$30,310,833

The Fund did not hold any investments at the end of the reporting period for which significant unobservable inputs (Level 3) were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period.

# Channel Short Duration Income Fund

## Notes to the Financial Statements (continued)

September 30, 2022

### NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES AND OTHER SERVICE PROVIDERS

The Adviser, under the terms of the management agreement with the Trust with respect to the Fund (the “Agreement”), manages the Fund’s investments. As compensation for its management services, the Fund is obligated to pay the Adviser a fee computed and accrued daily and paid monthly at an annual rate of 0.40% of the Fund’s average daily net assets. For the fiscal year ended September 30, 2022, the Adviser earned fees of \$127,694, from the Fund. At September 30, 2022, the Adviser was owed \$858 from the Fund.

The Adviser has agreed contractually to waive its management fee and/or reimburse expenses through January 31, 2024 so that the Fund’s total annual operating expenses, excluding portfolio transaction and other investment-related costs (including brokerage fees and commissions); taxes; borrowing costs (such as interest and dividend expenses on securities sold short); acquired fund fees and expenses; fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including, for example, option and swap fees and expenses); any amounts payable pursuant to a distribution or service plan adopted in accordance with Rule 12b-1 under the 1940 Act, as amended; any administrative and/or shareholder servicing fees payable pursuant to a plan adopted by the Board of Trustees; expenses incurred in connection with any merger or reorganization; extraordinary expenses (such as litigation expenses, indemnification of Trust officers and Trustees and contractual indemnification of Fund service providers); and other expenses that the Trustees agree have not been incurred in the ordinary course of Fund’s business, do not exceed 0.95% of the Fund’s average daily net assets. For the fiscal year ended September 30, 2022, the Adviser waived fees of \$65,182.

Each waiver/expense payment by the Adviser is subject to recoupment by the Adviser from the Fund in the three years following the date the particular waiver/expense payment occurred, but only if such recoupment can be achieved without exceeding the applicable annual expense limitation in effect at the time of the waiver/expense payment and any expense limitation in effect at the time of recoupment. As of September 30, 2022, the Adviser may seek repayment of management fees waived and expense reimbursements pursuant to the aforementioned conditions, from the Fund no later than the dates stated below:

<u>Recoverable Through</u>		
September 30, 2023	\$	35,678
September 30, 2024		44,501
September 30, 2025		65,182

# Channel Short Duration Income Fund

## Notes to the Financial Statements (continued)

September 30, 2022

Ultimus Fund Solutions, LLC (“Ultimus”) provides administration, fund accounting and transfer agent services to the Fund. The Fund pays Ultimus fees in accordance with the agreements for such services.

Northern Lights Compliance Services, LLC (“NLCS”), an affiliate of Ultimus, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives fees from the Fund, which are approved annually by the Board.

Under the terms of a Distribution Agreement with the Trust, Ultimus Fund Distributors, LLC (the “Distributor”) serves as principal underwriter to the Fund. The Distributor is a wholly-owned subsidiary of Ultimus. The Distributor is compensated by the Adviser (not the Fund) for acting as principal underwriter.

Certain officers and a Trustee of the Trust are also employees of Ultimus and such persons are not paid by the Fund for serving in such capacities.

The Board supervises the business activities of the Trust. Each Trustee serves as a trustee until termination of the Trust unless the Trustee dies, resigns, retires, or is removed. The Chairman of the Board and more than 75% of the Trustees are “Independent Trustees,” which means that they are not “interested persons” as defined in the 1940 Act. The Independent Trustees review and establish compensation at least annually. Each Independent Trustee of the Trust receives annual compensation, which is an established amount paid quarterly per fund in the Trust at the time of the regular quarterly Board meetings. The Chairman of the Board receives the highest compensation, commensurate with his additional duties and each Chair of a committee receives additional compensation as well. Independent Trustees also receive \$1,000 for attending any special meeting that requires an in-person approval of a contract and \$250 for the first hour and \$200 for each additional hour for attending other special meetings. In addition, the Trust reimburses Independent Trustees for out-of-pocket expenses incurred in conjunction with attendance at meetings.

### NOTE 5. PURCHASES AND SALES OF SECURITIES

For the fiscal year ended September 30, 2022, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were as follows:

#### Purchases

U.S. Government Obligations	\$ 1,984,618,108
Other	45,531,212

#### Sales

U.S. Government Obligations	\$ 1,980,774,701
Other	46,988,690

# Channel Short Duration Income Fund

## Notes to the Financial Statements (continued)

September 30, 2022

### NOTE 6. FEDERAL TAX INFORMATION

At September 30, 2022, the net unrealized appreciation (depreciation) and tax cost of investments for tax purposes was as follows:

Gross unrealized appreciation	\$ 7,567
Gross unrealized depreciation	<u>(2,144,436)</u>
Net unrealized appreciation/(depreciation) on investments	\$ <u>(2,136,869)</u>
Tax cost of investments	<u>\$ 32,447,702</u>

The tax character of distributions paid for the fiscal years ended September 30, 2022 and September 30, 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Distributions paid from:		
Ordinary income <sup>(a)</sup>	\$ 1,138,385	\$ 853,318
Long-term capital gains	<u>\$ 338,851</u>	<u>\$ 1,644,869</u>
Total distributions paid	<u>\$ 1,477,236</u>	<u>\$ 2,498,187</u>

<sup>(a)</sup> Short-term capital gain distributions are treated as ordinary income for tax purposes.

At September 30, 2022, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	\$ 3,865
Distributions payable	546
Accumulated capital and other losses	(1,479,672)
Unrealized depreciation on investments	<u>(2,136,869)</u>
Total accumulated deficits	<u>\$ (3,612,130)</u>

At September 30, 2022, the difference between book basis and tax basis unrealized appreciation (depreciation) is primarily attributable to the tax deferral of wash sales and dividends payable.

Capital losses and specified gains realized after October 31, and net investment losses realized after December 31 of a Fund's fiscal year may be deferred and treated as occurring on the first business day of the following fiscal year for tax purposes. For the year ended September 30, 2022, the Fund deferred \$1,479,672 of post October losses.

### NOTE 7. COMMITMENTS AND CONTINGENCIES

The Trust indemnifies its officers and Trustees for certain liabilities that may arise from their performance of their duties to the Trust or the Fund. Additionally, in the normal course of business, the Trust enters into contracts that contain a variety of representations

# **Channel Short Duration Income Fund**

## **Notes to the Financial Statements (continued)**

*September 30, 2022*

and warranties which provide general indemnifications. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

### **NOTE 8. SUBSEQUENT EVENTS**

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date at which these financial statements were issued. Based upon this evaluation, management has determined there were no items requiring adjustment of the financial statements or additional disclosure.

On November 1, 2022, the Fund paid an income distribution of \$0.0276 per share to shareholders of record on October 28, 2022.

# Report of Independent Registered Public Accounting Firm

To the Shareholders of Channel Short Duration Income Fund and  
Board of Trustees of Unified Series Trust

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Channel Short Duration Income Fund (the “Fund”), a series of Unified Series Trust, as of September 30, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the related notes, and the financial highlights for each of the five years in the period then ended (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2022, the results of its operations the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2022, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Fund’s auditor since 2006.

COHEN & COMPANY, LTD.

Chicago, Illinois

November 23, 2022

## Liquidity Risk Management Program (Unaudited)

The Fund has adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 (the “Liquidity Rule”) under the 1940 Act. The Program is reasonably designed to assess and manage the Fund’s liquidity risk, taking into consideration, among other factors, the Fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its short and long- term cash flow projections; and its cash holdings and access to other funding sources. The Board approved the appointment of the Liquidity Administrator Committee, comprising certain Trust officers and employees of the Adviser. The Liquidity Administrator Committee maintains Program oversight and reports to the Board on at least an annual basis regarding the Program’s operational effectiveness through a written report (the “Report”). The most recent Report, which was presented to the Board for consideration at its meeting held on August 16, 2022, outlined the operation of the Program and the adequacy and effectiveness of the Program’s implementation. During the review period, the Fund did not experience unusual stress or disruption to their operations related to purchase and redemption activity. Also, during the review period the Fund held adequate levels of cash and highly liquid investments to meet shareholder redemption activities in accordance with applicable requirements. The Report concluded that the Program is reasonably designed to prevent violation of the Liquidity Rule and has been effectively implemented.



## Summary of Fund Expenses (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees; and (2) ongoing costs, including management fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2022 through September 30, 2022.

### Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table below is useful in comparing ongoing costs only and will not help you determine the relative costs of owning different funds. In addition, if transaction costs were included, your costs would have been higher.

	<b>Beginning Account Value April 1, 2022</b>	<b>Ending Account Value September 30, 2022</b>	<b>Expenses Paid During Period<sup>(a)</sup></b>	<b>Annualized Expense Ratio</b>
Actual	\$ 1,000.00	\$ 945.60	\$ 4.63	0.95%
Hypothetical <sup>(b)</sup>	\$ 1,000.00	\$ 1,020.30	\$ 4.81	0.95%

(a) Expenses are equal to the Fund’s annualized expense ratios, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

(b) Hypothetical assumes 5% annual return before expenses.

## Shareholder Voting Results (Unaudited)

At a Special Shareholder Meeting at which a quorum was present, reconvened on September 13, 2022, Fund shareholders of record as of the close of business on July 5, 2022 voted to approve the following proposal:

**Proposal 1:** To elect the following individuals to serve on the Board of Trustees of the Trust:

Freddie Jacobs Jr.  
Catharine Barrow McGauley  
Kenneth G.Y. Grant  
Daniel J. Condon  
Gary A. Hippenstiel  
Stephen A. Little  
Ronald C. Tritschler  
David R. Carson

<b>Fund</b>	<b>Shares Voted in Favor*</b>	<b>Shares Voted Against or Abstain*</b>	<b>Shares Needed to Approve*</b>
Channel Short Duration Income Fund	2,906,292 (100%)	0 (0.00%)	Plurality (greater than 50%)

\* as a percentage of the total voting securities of the Fund voted at the meeting at which a quorum was present.

## **Additional Federal Income Tax Information (Unaudited)**

The Form 1099-DIV you receive in January 2023 will show the tax status of all distributions paid to your account in calendar year 2022. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Fund. As required by the Internal Revenue Code and/ or regulations, shareholders must be notified regarding the status of qualified dividend income for individuals and the dividends received deduction for corporations.

**Qualified Dividend Income.** The Fund designates approximately 0% or up to the maximum amount of such dividends allowable pursuant to the Internal Revenue Code, as qualified dividend income eligible for a reduced tax rate.

**Qualified Business Income.** The Fund designates approximately 0% of its ordinary income dividends, or up to the maximum amount of such dividends allowable pursuant to the Internal Revenue Code, as qualified business income.

**Dividends Received Deduction.** Corporate shareholders are generally entitled to take the dividends received deduction on the portion of the Fund's dividend distribution that qualifies under tax law. For the Fund's calendar year 2022 ordinary income dividends, 0% qualifies for the corporate dividends received deduction.

For the year ended September 30, 2022, the Fund designated \$338,851 as long-term capital gain distributions.

## Trustees and Officers (Unaudited)

**GENERAL QUALIFICATIONS.** The Board supervises the business activities of the Trust. Each Trustee serves as a trustee until termination of the Trust unless the Trustee dies, resigns, retires, or is removed. The Chairman of the Board and more than 75% of the Trustees are “Independent Trustees,” which means that they are not “interested persons” (as defined in the 1940 Act) of the Trust or any adviser, sub-adviser or distributor of the Trust.

The following table provides information regarding the Independent Trustees.

<b>Name, Address*, (Year of Birth), Position with Trust**, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<b>Daniel J. Condon</b> (1950) Chairman, May 2022 to present; Chairman of the Audit Committee; Chairman of the Governance & Nominating Committee, May 2020 to May 2022; Independent Trustee, December 2002 to present	<b>Current:</b> Retired (2017 – present); Trustee, Peak Income Plus Fund (2022 – present).
<b>Kenneth G.Y. Grant</b> (1949) Chairman of the Governance & Nominating Committee, May 2022 to present; Chairman, January 2017 to May 2022; Independent Trustee, May 2008 to present	<b>Current:</b> Director, Standpoint Multi-Asset (Cayman) Fund, Ltd. (2019 – present); Director, Advisors Charitable Gift Fund (2020 – present), a Donor Advised Fund; Trustee, Peak Income Plus Fund (2022 – present).  <b>Previous:</b> EVP, Benefit Plans Administrative Services, Inc., provider of retirement benefit plans administration (2019 – 2020); Director, Northeast Retirement Services (NRS) LLC, a transfer agent and fund administrator; and Director, Global Trust Company (GTC), a non-depository trust company sponsoring private investment product (2003 – 2019); EVP, NRS (2003 – 2019); GTC, EVP (2008 – 2019); EVP, Savings Banks Retirement Association (2003 – 2019), provider of qualified retirement benefit plans.
<b>Gary E. Hippenstiel</b> (1947) Chairman of the Pricing & Liquidity Committee; Independent Trustee, December 2002 to November 15, 2022	<b>Current:</b> President and founder of Hippenstiel Investment Counsel LLC (“Hippenstiel”) since 2008. Hippenstiel was registered as an investment adviser from 2008 to December 31, 2019.
<b>Stephen A. Little</b> (1946) Independent Trustee, December 2002 to November 15, 2022; Chairman, December 2004 to December 2016	<b>Current:</b> President and founder of The Rose, Inc., a registered investment adviser, since 1993.

## Trustees and Officers (Unaudited) (continued)

<p><b>Ronald C. Tritschler</b> (1952) Chairman of the Audit Committee, May 2022 to present; Independent Trustee, January 2007 to present; Interested Trustee, December 2002 to December 2006</p>	<p><b>Current:</b> Chief Executive Officer, Director and Legal Counsel of The Webb Companies, a national real estate company, since 2001; Director, Standpoint Multi-Asset (Cayman) Fund, Ltd. (2020 – present); Director of First State Bank of the Southeast (2000 – present); Trustee, Peak Income Plus Fund (2022 – present).</p>
<p><b>Catharine B. McGauley</b> (1977) Independent Trustee, September 2022 to present</p>	<p><b>Current:</b> Lead Portfolio Manager of Atlantic Charter Insurance, a workers’ compensation insurer, (2010 – present); Investment Advisor for a Family Office (2015 – present); Senior Analyst/Advisor for a Boston real estate company and related family (2010 – present); Trustee, Peak Income Plus Fund (2022 – present).</p>
<p><b>Freddie Jacobs, Jr.</b> (1970) Independent Trustee, September 2022 to present</p>	<p><b>Current:</b> Chief Operating Officer and Chief Risk Officer Northeast Retirement Services (NRS) LLC, and its subsidiary Director, Global Trust Company (GTC), NRS is a transfer agent and fund administrator, GTC is a non-depository trust company sponsoring private investment product (2021 – present); Trustee of Buckingham Browne &amp; Nichols (BBN) (2018 – present); Member of the Finance Committee, BBN (2020 – present); Chairman Board of Directors of Crispus Attucks Fund (2020 – present); Board Member and Treasurer of New England Tennis Association (2017 – present); Board Member of Camp Harbor View (2020 – present); Trustee, Peak Income Plus Fund (2022 – present).</p> <p><b>Previous:</b> SVP, Senior Risk Officer NRS (2013 – 2021).</p>

\* The address for each Trustee is 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246.

\*\* As of the date of this report, the Trust consists of 31 series.

The following table provides information regarding the Interested Trustees and Officers of the Trust.

<b>Name, Address*, (Year of Birth), Position with Trust, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<p><b>David R. Carson</b> (1958) President, January 2016 to August 2021; Interested Trustee, August 2020 to present</p>	<p><b>Current:</b> Senior Vice President Client Strategies of Ultimus Fund Solutions, LLC, since 2013; Interested Trustee of Ultimus Managers Trust, since 2020; Trustee, Peak Income Plus Fund (2022 – present).</p>

## Trustees and Officers (Unaudited) (continued)

<b>Martin R. Dean</b> (1963) President, August 2021 to present; Vice President, November 2020 to August 2021; Chief Compliance Officer, April 2021 to August 2021; Assistant Chief Compliance Officer, January 2016 to April 2021	<b>Current:</b> Senior Vice President, Head of Fund Compliance of Ultimus Fund Solutions, LLC, since 2016.
<b>Zachary P. Richmond</b> (1980) Treasurer and Chief Financial Officer, November 2014 to present	<b>Current:</b> Vice President, Director of Financial Administration for Ultimus Fund Solutions, LLC, since 2015.
<b>Gweneth K. Gosselink</b> (1955) Chief Compliance Officer, August 2021 to present	<b>Current:</b> Assistant Vice President, Senior Compliance Officer of Ultimus Fund Solutions, LLC, since 2019.  <b>Previous:</b> Chief Operating Officer & CCO at Miles Capital, Inc. (2013 – 2019).
<b>Elisabeth Dahl</b> (1962) Secretary, May 2017 to present; Assistant Secretary, March 2016 to May 2017	<b>Current:</b> Attorney, Ultimus Fund Solutions, LLC since March 2016.
<b>Stephen Preston</b> (1966) AML Compliance Officer, May 2017 to present	<b>Current:</b> Vice President and Chief Compliance Officer, Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC, since 2011.
<b>Lynn E. Wood</b> (1946) Assistant Chief Compliance Officer, April 2021 to present; Chief Compliance Officer, October 2004 to April 2021	<b>Current:</b> Managing Member, Buttonwood Compliance Partners, LLC, since 2013.

\* The address for each Officer is 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246.

## Other Information (Unaudited)

The Funds' Statement of Additional Information ("SAI") includes additional information about the trustees and is available without charge, upon request. You may call toll-free at (877) 627-8504 to request a copy of the SAI or to make shareholder inquiries.

<b>FACTS</b>	<b>WHAT DOES CHANNEL SHORT DURATION INCOME FUND (THE “FUND”) DO WITH YOUR PERSONAL INFORMATION?</b>
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<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number</li> <li>▪ account balances and account transactions</li> <li>▪ transaction or loss history and purchase history</li> <li>▪ checking account information and wire transfer instructions</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
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<b>How?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons the Funds choose to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does the Fund share?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<b>Yes</b>
<b>For our marketing purposes—</b> to offer our products and services to you	<b>No</b>
<b>For joint marketing with other financial companies</b>	<b>No</b>
<b>For our affiliates’ everyday business purposes—</b> information about your transactions and experiences	<b>No</b>
<b>For our affiliates’ everyday business purposes—</b> information about your creditworthiness	<b>No</b>
<b>For nonaffiliates to market to you</b>	<b>No</b>

<b>Questions?</b>	Call (877) 627-8504
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Who we are	
Who is providing this notice?	Channel Short Duration Income Fund Ultimus Fund Distributors, LLC (Distributor) Ultimus Fund Solutions, LLC (Administrator)
What we do	
How does the Fund protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
How does the Fund collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>▪ open an account or deposit money</li> <li>▪ buy securities from us or sell securities to us</li> <li>▪ make deposits or withdrawals from your account</li> <li>▪ give us your account information</li> <li>▪ make a wire transfer</li> <li>▪ tell us who receives the money</li> <li>▪ tell us where to send the money</li> <li>▪ show your government-issued ID</li> <li>▪ show your driver's license</li> </ul>
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▪ <b>Channel Investment Partners, LLC., the investment adviser to the Fund, could be deemed to be an affiliate.</b></li> </ul>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▪ <b>The Fund does not share your personal information with nonaffiliates so they can market to you</b></li> </ul>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>▪ <b>The Fund does not jointly market.</b></li> </ul>



# Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent twelve month period ended June 30, are available (1) without charge upon request by calling the Fund at (877) 627-8504 and (2) in Fund documents filed with the SEC on the SEC's website at [www.sec.gov](http://www.sec.gov).

## TRUSTEES

Daniel J. Condon, Chairman  
David R. Carson  
Kenneth G.Y. Grant  
Freddie Jacobs, Jr.  
Catharine B. McGauley  
Ronald C. Tritschler

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Lynn E. Wood, Assistant Chief  
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## ADMINISTRATOR, TRANSFER AGENT AND FUND ACCOUNTANT

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This report is intended only for the information of shareholders or those who have received the Fund's prospectus which contains information about the Fund's management fee and expenses. Please read the prospectus carefully before investing.

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